

COPY

FORM MR-RC  
Revised January 21, 2005  
RECLAMATION CONTRACT

File Number S/035/024

Effective Date May 16, 2005

Other Agency File Number n/a

**STATE OF UTAH**  
**DEPARTMENT OF NATURAL RESOURCES**  
**DIVISION of OIL, GAS and MINING**  
1594 West North Temple Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801  
(801) 538-5291  
Fax: (801) 359-3940

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**RECLAMATION CONTRACT**

---ooOoo---

DIV OF OIL GAS & MINING

For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

|   |   |
|---|---|
| "NOTICE OF INTENTION" (NOI): (File No.) | <u>S/035/024</u>                                  |
| (Mineral Mined)                         | <u>Landscape Rock</u>                             |
| "MINE LOCATION":                        |   |
| (Name of Mine)                          | <u>Expectations</u>                               |
| (Description)                           | <u>About one mile northwest of Jordan Narrows</u> |
| "DISTURBED AREA":                       |   |
| (Disturbed Acres)                       | <u>3.2</u>  |
| (Legal Description)                     | <u>(Refer to Attachment A)</u>                    |
| "OPERATOR":                             |   |
| (Company or Name)                       | <u>Mark and Danna Miller dba Expectations</u>     |
| (Address)                               | <u>10116 S. Wasatch Blvd.</u>                     |
|   | <u>Sandy, Utah 84092</u>                          |
| (Phone)                                 | <u>801-947-0639; 801-706-6231</u>                 |

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"OPERATOR'S REGISTERED AGENT":

Name)

Mark Miller

(Address)

10116 S. Wasatch Blvd.

(Phone)

Sandy, Utah 84092

801-947-0639; 801-706-6231

"OPERATOR'S OFFICER(S)" & TITLE:

Owner

SURETY":

(Form of Surety - Attachment B)

Letter of Credit

"SURETY COMPANY":

(Name, Policy or Acct. No.)

Far West Bank

"SURETY AMOUNT":

(Escalated Dollars)

\$3000

"ESCALATION YEAR":

2006

"STATE":

State of Utah

"DIVISION":

Division of Oil, Gas and Mining

"BOARD":

Board of Oil, Gas and Mining

ATTACHMENTS:

A "DISTURBED AREA":

B "SURETY":

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between Mark and Danna Miller dba Expectations the "Operator" and the Utah State Division of Oil, Gas and Mining ("Division").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. S/035/024 which has been approved/accepted by the Utah State Division of Oil, Gas and Mining under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim that area described as the Disturbed Area as set forth and in accordance with Operator's approved/accepted Reclamation Plan or Notice, and Operator is obligated to provide surety in form and amount approved by the Division, to assure reclamation of the Disturbed Area.

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NOW, THEREFORE, the Division and the Operator agree as follows:

1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the Reclamation Plan and/or Notice of Intention approved/accepted by the Division on April 25, 2005. The Reclamation Plan and/or Notice of Intention, as amended, are incorporated by this reference and made a part hereof.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Division. Such surety as evidenced by the Surety Contract is in the form of the surety attached hereto as Attachment B and made a part hereof. The Surety Contract shall remain in full force and effect according to its terms unless modified by the Division in writing. If the Surety Contract expressly provides for cancellation, then, within 60 days following the Division's receipt of notice that the Surety Company intends to cancel the Surety Contract, the Operator shall provide a replacement Surety Contract in a form and amount reasonably acceptable to the Division. If the Operator fails to provide an acceptable replacement Surety Contract, the Division may order the Operator to cease further mining activities and to begin immediate reclamation of the Disturbed Area.
3. Operator agrees to pay legally determined public liability and property damage claims resulting from mining to the extent provided in Section 40-8-7(1)(e) of the Act.
4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
6. If reclamation of discrete sections of the Disturbed Area is completed to the satisfaction of the Division, and the Division finds that such sections are severable from the remainder of the Disturbed Area, Operator may request the Division to certify that Operator has reclaimed such discrete sections of the Disturbed Area in accordance with the Act and Implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended. If the Division makes such certification, Operator may make request to the Division that the aggregate face amount of the Surety Contract provided pursuant to paragraph 2 be

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reduced to an amount necessary to provide for completion of the remaining reclamation. The Division shall hear Operator's request for such reduction in accordance with the Board's Procedural Rules concerning requests for Agency Action.

7. Operator agrees to indemnify and hold harmless the State, Board and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
8. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
9. This Contract shall be governed and construed in accordance with the laws of the State of Utah.
10. If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including reasonable attorney's fees and costs incurred by the Division and/or the Board in the enforcement of this Contract.
11. Any breach that the Division finds to be material of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Board of Oil, Gas and Mining may enter an order to revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety Contract, or take such other action as is authorized by law.
12. In the event of forfeiture of the Surety Contract, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the Surety Contract, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
13. This Contract including the Notice of Intention, as amended and the Reclamation Plan, as amended, represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.
14. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

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OPERATOR:

Mark and Danna Miller dba Expectations

Operator Name

By Mark Miller

Authorized Officer (Typed or Printed)

Owner Mark Miller

Authorized Officer - Position

Mark Miller  
Officer's Signature

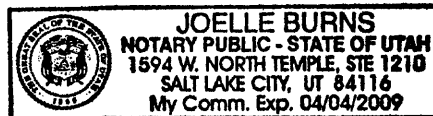
6 May - 2005  
Date

STATE OF Utah )

COUNTY OF Salt Lake ) ss:

On the 6<sup>th</sup> day of May, 2005, Mark Miller  
personally appeared before me, who being by me duly sworn did say that he/she is the  
Owner of Expectations and duly acknowledged that said  
instrument was signed on behalf of said company by authority of its bylaws or a  
resolution of its board of directors and said Mark Miller duly acknowledged to me that  
said company executed the same.

Joelle Burns  
Notary Public  
Residing at SLC Utah



April 4, 2009  
My Commission Expires:

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DIVISION OF OIL, GAS AND MINING:

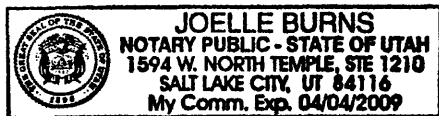
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By [Signature]  
For John R. Baza, Director

5/16/05  
Date

STATE OF Utah )  
COUNTY OF Salt Lake ) ss:

On the 16<sup>th</sup> day of May, 2005, Mark Mesch  
personally appeared before me, who being duly sworn did say that he, the said  
Mark Mesch is the Director of the Division of Oil, Gas and Mining,  
Department of Natural Resources, State of Utah, and he duly acknowledged to me that  
he executed the foregoing document by authority of law on behalf of the State of Utah.  
acting associate



Joelle Burns  
Notary Public  
Residing at: SBC Utah

April 4, 2009  
My/Commission Expires:

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DIV OF OIL GAS & MINING

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ATTACHMENT "A"

Expectations  
Operator

S/035/024  
Permit Number

Expectations  
Mine Name

Salt Lake County, Utah

LEGAL DESCRIPTION

*Include 1/4, 1/4, 1/4 sections, townships, ranges and any other descriptions that will legally determine where disturbed lands are located. Attach a topographic map of suitable scale (max. 1 inch = 500 feet; 1 inch = 200 feet or larger scale is preferred) showing township, range and sections and a clear outline of the disturbed area boundaries tied to this Reclamation Contract and surety.*

**The detailed legal description of lands to be disturbed includes portions of the following lands not to exceed 3.2 acres under the approved / accepted permit and surety, as reflected on the attached map labeled Attachment C and dated April 5, 2005:**

Township 4 South, Range 1 West  
Section 22  
Portions of the S $\frac{1}{2}$  SW $\frac{1}{4}$  NW $\frac{1}{4}$ ,

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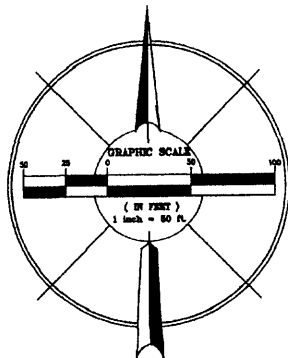
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# LIMITS OF DISTRICT A PORTION OF TOWNSHIP 4 S SALT LAKE

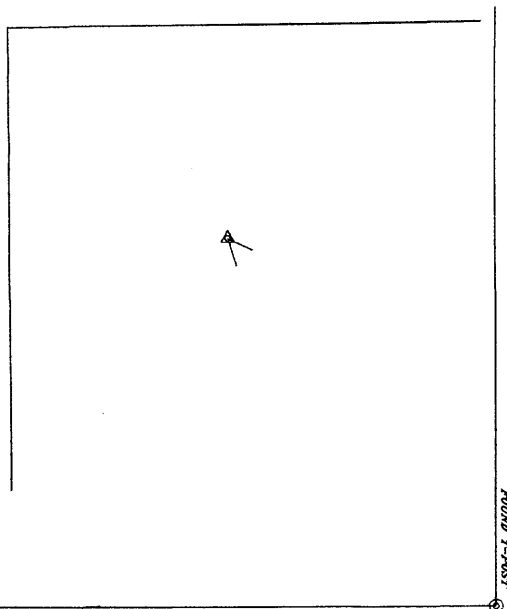
STUDY

NORTH



## LEGEND

- ◆ - SECTIONAL CORNER
- ⊕ - STREET MONUMENT
- ⊙ - FOUND PROPERTY MARKER
- ⊕ - SET REBAR AND CAP
- - REPRESENTS APPROXIMATE BOUNDARY LINE
- △ - SURVEY REFERENCE POINT



APPROXIMATE PROP. LINE  
N00°00'00.00\"

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DIV OF OIL GAS & MINING

E STUDY  
ON 22

DOS NO.  
L-05-MILLER

DATE:  
4-05-05  
DRAWN BY:  
S.R.J.  
CHECKED BY:  
S.R.J.

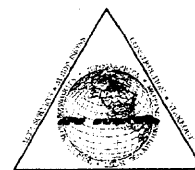
PROJECT SITE LOCATION  
ADDRESS  
SECTION 22  
T4S, R1 W.

| REVISIONS |    | COMMENTS |
|-----------|----|----------|
| DATE      | BY |          |
|           |    |          |
|           |    |          |
|           |    |          |
|           |    |          |
|           |    |          |
|           |    |          |
|           |    |          |
|           |    |          |
|           |    |          |

Land Design

7412 SOUTH STATE STREET  
SUITE 201  
MIDVALE, UTAH 84047  
OFFICE: (801) 495-2541  
FAX: (801) 495-2547

LAND DESIGN, LLC



ATTACHMENT C



# FAR WEST BANK

Consumer Loan Department

m1035/024

copy

Letter of Credit No. 15413685

Date: April 7, 2005

UTAH DIVISION OF OIL, GAS AND MINING  
1594 West North Temple Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801

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DIV OF OIL GAS & MINING

and

and

Far West Bank  
201 East Center  
Provo, Utah 84606

Mark and Danna Miller dba Expectations  
10116 South Wasatch  
Sandy, Utah 84092

Gentlemen and Ladies:

1. Far West Bank of Provo, Utah, hereby establishes this irrevocable letter of credit in favor of the Utah Division of Oil, Gas, and Mining ("Division") for itself and as agent for "Expectations" for an aggregate amount not to exceed \$3,000.00 ( three thousand dollars) in United States dollars effective immediately.

2. This Letter of Credit will expire upon the first event set forth as follows: (a) 5:00 o'clock p.m. (Salt Lake City time) on April 7, 2006 or (b) the date upon which sufficient documents are executed by the Division to release Mark and Danna Miller dba Expectations, from further liability for reclamation of the Expectations, M/035/024 with notice to Far West Bank by the Division accompanied by the original Letter of Credit with directions for cancellation.

3. This Letter of Credit will be automatically extended for successive periods of one year from the current or any future expiration date unless the bank gives notice to the Division 90 days prior to the expiration date that the bank elects not to renew the Letter of Credit.

4. Funds under the Letter of Credit are available against the Division's sight draft, in the form of Exhibit A, specifying Letter of Credit No.       5       delivered to the office of Far West Bank, 201 East Center, Provo, Utah 84606. At the Division's sole election, the Division may present sight drafts for less than the Face Amount so long as the aggregate amount of all sight drafts does not exceed the Face Amount. Each draft must be accompanied by a certificate in the form of Exhibit B, signed by a duly authorized representative of the Division.

5. If Far West Bank receives the Division's sight draft(s) and certificate(s) as provided in Paragraph No. 4 above on or before the expiration or termination of this Letter of Credit, Far West Bank will make such amount as the Division may specify, within the limits of the second sentence of Paragraph No. 4 of this Letter of Credit, available to the Division no later than the close of business, Salt Lake City time, on the second business day following Far West Bank's receipt of the sight draft and certification and in such a manner as the Division may specify.

6. Far West Bank will give prompt notice to the Operator and to the Division Director of any notice received or action filed alleging the insolvency or bankruptcy of the bank, or alleging any violations of regulatory requirements which could result in suspension or revocation of Far West Bank's charter or license to do business.

201 East Center • Provo, Utah 84606  
(801) 342-6030 • FAX (801) 377-3351

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7. The Letter of Credit will be governed by the laws of the State of Utah and shall be subject to the Uniform Customs and Practice for Documentary Credit, 1993 revision, International Chamber of Commerce Publication No. 500, as the same may be amended and in effect from time to time ("UCP"). In the event of a conflict between Utah law and the UCP, Utah law shall govern.

8. All communications regarding this Letter of Credit will be addressed to Far West Bank, 201 East Center, Provo, Utah 84606, referencing Letter Of Credit No.       5      .

Very truly yours,

Far West Bank



By: H. Don Norton / President CEO

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EXHIBIT A - SIGHT DRAFT

To: UTAH DIVISION OF OIL, GAS AND MINING

Letter of Credit Number 5

|       |              |                         |
|-------|--------------|-------------------------|
| _____ | _____        | _____                   |
| Date  | City, County | Letter of Credit Number |

PAY TO THE ORDER OF : Utah Division of Oil, Gas and Mining,

\_\_\_\_\_ DOLLARS

To: FAR WEST BANK  
201 EAST CENTER  
PROVO, UTAH 84606

Utah division of Oil, Gas and Mining  
1594 West North Temple Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801

By: \_\_\_\_\_  
Authorized Signature

COPY

EXHIBIT B

To: UTAH DIVISION OF OIL, GAS AND MINING

Letter of Credit Number : 5

I, \_\_\_\_\_ a duly authorized representative of the Utah Division of Oil,

Gas and Mining, hereby certify that (1) the drawing in the amount of \$3000.00, by sight draft accompanying this certificate, under Letter of Credit No. 15413685 dated 7 April, 2005 issued by you is permitted under the provision of the Letter of Credit, (2) the Letter of Credit has neither expired nor terminated pursuant to its terms, (3) the amount of the sight draft, together with any amounts previously drawn under the Letter of Credit, does not exceed the Face Amount, and (4) the Utah Board of Oil, Gas and Mining, after notice and hearing has entered an Order which has not been stayed, ordering forfeiture of the Letter of Credit No. 15413685, in accordance with applicable law. Proceeds of this drawing will be utilized in full to pay the expenses relating to the reclamation liability, together with the costs of collection, including attorneys fees for the Expectations, #S/035/024.

The Utah Division of Oil, Gas and Mining

By: \_\_\_\_\_  
Authorized Signature

Date: \_\_\_\_\_